

**Promate Solutions Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2022 and 2021 and
Independent Auditors' Review Report**

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Promate Solutions Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Promate Solutions Corporation and its subsidiaries (collectively, the “Group”) as of September 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 “Review of Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2022 and 2021, the combined total assets of these non-significant subsidiaries were NT\$9,514 thousand and NT\$9,360 thousand, respectively, representing 0.57% and 0.62%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$711 thousand and NT\$1,505 thousand, respectively, representing 0.12% and 0.31%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the amounts of combined comprehensive income (loss) of these subsidiaries were (NT\$148) thousand, NT\$3,757 thousand, (NT\$145) thousand, and NT\$5,353 thousand, respectively, representing 0.24%, 9.22%, 0.09% and 4.72%, respectively, of the consolidated total comprehensive income.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of September 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the three-months and nine-months then ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China

The engagement partners on the reviews resulting in this independent auditors’ review report are Po Jen Weng .and Nai-Hua Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 7, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ report and consolidated financial statements shall prevail.

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4, 6 and 30)	\$ 658,540	39	\$ 726,561	41	\$ 658,483	44
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 30)	11,035	1	10,594	1	9,266	1
FINANCIAL ASSETS AT AMORTIZED COSTS(Notes 4, 9,10 ,30 and 32)	1,534	-	-	-	27,873	2
Notes receivable (Notes 4, 11,24 and 30)	281	-	-	-	--	-
Accounts receivable (Notes 4, 11,24, 30and 32)	334,430	20	461,047	26	262,013	17
Accounts receivable from related parties (Notes 4, 11, 24, 30 and 31)	4,363	-	4,212	-	11,553	1
Other receivables (Notes 4, 11 and 30)	23,895	1	24,521	1	28,054	2
Current tax assets (Note 4 and 26)	-	-	-	-	1,229	-
Inventories (Note 4 and 12)	430,238	26	346,426	20	331,697	22
Prepayments (Notes 17)	17,904	1	2,887	-	6,255	-
Other current assets (Note 17)	-	-	30	-	30	-
Total current assets	<u>1,482,220</u>	<u>88</u>	<u>1,576,278</u>	<u>89</u>	<u>1,336,453</u>	<u>89</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 8 and 30)	104,106	6	85,519	5	42,839	3
Property, plant and equipment (Notes 4 and 14)	46,282	3	43,823	3	44,134	3
Right-of-use assets (Notes 4, 15 and 31)	27,747	2	42,836	2	47,878	3
Other intangible assets (Notes 4 and16)	4,387	-	5,851	-	6,141	1
Deferred tax assets (Notes 4 and26)	13,211	1	8,983	1	10,145	1
Prepayments for business facilities (Note 17)	516	-	6,834	-	5,244	-
Guarantee deposits paid (Notes 17 and 30)	650	-	656	-	659	-
Total non-current assets	<u>196,899</u>	<u>12</u>	<u>194,502</u>	<u>11</u>	<u>157,040</u>	<u>11</u>
TOTAL	<u>\$ 1,679,119</u>	<u>100</u>	<u>\$ 1,770,780</u>	<u>100</u>	<u>\$ 1,493,493</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 4, 18,28,30 and 32)	\$ -	-	\$ 76,221	4	\$ -	-
Contract liabilities - current (Notes 4, 20 and 24)	112,122	7	69,004	4	53,207	4
Notes payable (Notes 19 and 30)	36	-	31	-	42	-
Accounts payable (Notes 19 and 30)	220,503	13	200,299	12	170,767	12
Accounts payable to related parties (Notes 19, 30 and 31)	56,947	4	181,574	10	110,736	7
Other payables (Notes 20 and 30)	140,523	8	106,590	6	71,254	5
Other payables - related parties (Notes 20, 30 and 31)	909	-	607	-	1,006	-
Current tax liabilities (Notes 4 and 26)	21,211	1	8,813	1	67	-
Provisions - current (Note 21)	2,630	-	2,938	-	3,216	-
Lease liabilities - current (Notes 4, 15,28, 30 and 31)	21,095	1	20,763	1	20,494	1
Other current liabilities (Note 20)	7,613	1	2,157	-	2,426	-
Total current liabilities	<u>583,589</u>	<u>35</u>	<u>668,997</u>	<u>38</u>	<u>433,215</u>	<u>29</u>
NON-CURRENT LIABILITIES						
Provisions - noncurrent (Note 21)	1,594	-	1,386	-	1,408	-
Deferred tax liabilities (Note 26)	8,409	-	924	-	135	-
Lease liabilities - noncurrent (Notes 4, 15, 28,30 and 31)	2,372	-	22,216	1	23,219	2
Net defined benefit liabilities - noncurrent (Note 22)	9,998	1	10,408	1	14,635	1
Total non-current liabilities	<u>22,373</u>	<u>1</u>	<u>34,934</u>	<u>2</u>	<u>39,397</u>	<u>3</u>
Total liabilities	<u>605,962</u>	<u>36</u>	<u>703,931</u>	<u>40</u>	<u>472,612</u>	<u>32</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 23 and 30)						
Share capital						
Ordinary shares	382,549	23	382,549	22	382,549	26
Capital surplus	386,829	23	386,829	22	386,829	26
Retained earnings						
Legal reserve	142,729	9	126,158	7	126,158	8
Unappropriated earnings	156,257	9	166,518	9	117,377	8
Total retained earnings	<u>298,986</u>	<u>18</u>	<u>292,676</u>	<u>16</u>	<u>243,535</u>	<u>16</u>
Other equity						
Exchange differences on translation of foreign financial statements	(639)	-	(391)	-	(298)	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	5,432	-	5,186	-	8,266	-
Total other equity interest	<u>4,793</u>	<u>-</u>	<u>4,795</u>	<u>-</u>	<u>7,968</u>	<u>-</u>
Total equity attributable to owners of the Company	<u>1,073,157</u>	<u>64</u>	<u>1,066,849</u>	<u>60</u>	<u>1,020,881</u>	<u>68</u>
Total equity	<u>1,073,157</u>	<u>64</u>	<u>1,066,849</u>	<u>60</u>	<u>1,020,881</u>	<u>68</u>
TOTAL	<u>\$ 1,679,119</u>	<u>100</u>	<u>\$ 1,770,780</u>	<u>100</u>	<u>\$ 1,493,493</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 31)								
Sales	\$ 499,396	100	\$ 474,451	100	\$ 1,400,647	100	\$ 1,114,336	100
OPERATING COSTS (Notes 4,12, 16, 25 and 31)								
Cost of sales	(375,319)	(75)	(364,953)	(77)	(1,056,547)	(76)	(820,382)	(74)
GROSS PROFIT	<u>124,077</u>	<u>25</u>	<u>109,498</u>	<u>23</u>	<u>344,100</u>	<u>24</u>	<u>293,954</u>	<u>26</u>
OPERATING EXPENSES (Notes 11, 15, 16, 25 and 31)								
Selling and marketing expenses	(48,553)	(10)	(30,122)	(6)	(130,869)	(9)	(83,318)	(8)
General and administrative expenses	(10,428)	(2)	(6,471)	(1)	(25,127)	(2)	(21,416)	(2)
Research and development expenses	(21,700)	(4)	(16,271)	(4)	(60,366)	(4)	(47,266)	(4)
Expected credit (loss) gain	300	-	150	-	700	-	6,350	1
Total operating expensess	(80,381)	(16)	(53,014)	(11)	(215,662)	(15)	(145,650)	(13)
OPERATING PROFIT	<u>43,696</u>	<u>9</u>	<u>56,484</u>	<u>12</u>	<u>128,438</u>	<u>9</u>	<u>148,304</u>	<u>13</u>
NON-OPERATING INCOME (Note 25 and 31)								
Interest income	554	-	421	-	1,226	-	1,298	-
Other income	2,905	-	933	-	3,314	-	1,174	-
Other gains and losses	29,901	6	(2,872)	(1)	61,097	5	(10,758)	(1)
Finance costs	(190)	-	(345)	-	(706)	-	(1,207)	-
Total non-operating income and expenses	<u>33,170</u>	<u>6</u>	<u>(1,863)</u>	<u>(1)</u>	<u>64,931</u>	<u>5</u>	<u>(9,493)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	76,866	15	54,621	11	193,369	14	138,811	12
INCOME TAX EXPENSE (Notes 4 and 26)	(15,631)	(3)	(11,008)	(2)	(39,778)	(3)	(22,402)	(2)
NET PROFIT FOR THE PERIOD	<u>61,235</u>	<u>12</u>	<u>43,613</u>	<u>9</u>	<u>153,591</u>	<u>11</u>	<u>116,409</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 ,23and 26)								
Items that will not be reclassified								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(146)	-	(2,814)	-	1,900	-	(2,860)	-
Income tax relating to items that not be reclassified subsequently to profit or loss	(693)	-	-	-	(1,654)	-	-	-
	(839)	-	(2,814)	-	246	-	(2,860)	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating the financial statements of foreign operations	39	-	(41)	-	(310)	-	(311)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	(8)	-	8	-	62	-	62	-
	31	-	(33)	-	(248)	-	(249)	-
Other comprehensive loss for the year, net of income tax	(808)	-	(2,847)	-	(2)	-	(3,109)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 60,427</u>	<u>12</u>	<u>\$ 40,766</u>	<u>9</u>	<u>\$ 153,589</u>	<u>11</u>	<u>\$ 113,300</u>	<u>10</u>
EARNINGS PER SHARE (Note 27)								
From continuing operations								
Basic	<u>\$ 1.60</u>		<u>\$ 1.14</u>		<u>\$ 4.01</u>		<u>\$ 3.04</u>	
Diluted	<u>\$ 1.59</u>		<u>\$ 1.13</u>		<u>\$ 3.98</u>		<u>\$ 3.02</u>	

The accompanying notes are an integral part of the consolidated financial statements.

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

Equity Attributable to Owners of the Company

	Equity Attributable to Owners of the Company					Other Equity		Total Equity	
	Issued Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operation		Unrealized gain on Financial Assets at Fair Value Through Other Comprehensive Income
	S h a r e s (Thousands)	Share Capital		Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE AT JANUARY 1, 2021	38,255	\$ 382,549	\$ 386,829	\$ 105,299	\$ 2,728	\$ 210,207	(\$ 49)	\$ 11,292	\$ 1,098,855
2020 surplus allocation and distribution									
Statutory surplus reserve				20,859	-	(20,859)			
Special Reserve				-	(2,728)	2,728			
The Company's shareholders cash dividends				-	-	(191,274)			(191,274)
Net profit for the nine months Sep 30, 2021	-	-	-	-	-	116,409	-	-	116,409
Other comprehensive income (loss) for the nine months Sep 30, 2021, net of income tax	-	-	-	-	-	-	(249)	(2,860)	(3,109)
Total comprehensive income for the nine months Sep 30, 2021	-	-	-	-	-	116,409	(249)	(2,860)	113,300
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	166	-	(166)	-
BALANCE AT SEPTEMBER 30, 2021	<u>38,255</u>	<u>\$ 382,549</u>	<u>\$ 386,829</u>	<u>\$ 126,158</u>	<u>\$ -</u>	<u>\$ 117,377</u>	<u>(\$ 298)</u>	<u>\$ 8,266</u>	<u>\$ 1,020,881</u>
BALANCE AT JANUARY 1, 2022	38,255	\$ 382,549	\$ 386,829	\$ 126,158	\$ -	\$ 166,518	(\$ 391)	\$ 5,186	\$ 1,066,849
2021 surplus allocation and distribution									
Statutory surplus reserve				16,571	-	(16,571)			
The Company's shareholders cash dividends						(147,281)			(147,281)
Net profit for the nine months Sep 30, 2022	-	-	-	-	-	153,591	-	-	153,591
Other comprehensive income (loss) for the nine months Sep 30, 2022, net of income tax	-	-	-	-	-	-	(248)	246	(2)
Total comprehensive income for the nine months Sep 30, 2022	-	-	-	-	-	153,591	(248)	246	153,589
BALANCE AT SEPTEMBER 30, 2022	<u>38,255</u>	<u>\$ 382,549</u>	<u>\$ 386,829</u>	<u>\$ 142,729</u>	<u>\$ -</u>	<u>\$ 156,257</u>	<u>(\$ 639)</u>	<u>\$ 5,432</u>	<u>\$ 1,073,157</u>

The accompanying notes are an integral part of the consolidated financial statement

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<u>For the Nine Months Ended September 30 2022</u>	<u>For the Nine Months Ended September 30 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 193,369	\$ 138,811
Adjustments for:		
Depreciation expenses	25,950	27,189
Amortization expenses	1,464	1,228
Expected credit loss (gain)/provision (reversal of provision) for bad debt expense	(700)	(6,350)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6,067	870
Finance costs	706	1,207
Interest incomes	(1,226)	(1,298)
Dividend income	(2,977)	(885)
Gain on Lease Modification	-	(254)
Loss (gain) on inventory impairment	7,000	(15,000)
Inventory scrap loss	2,124	64
Net (gain) loss on foreign currency exchange	6	(1,035)
Provision for liability	2,424	2,427
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(6,508)	2,218
Notes receivable increase	(281)	-
Decrease (increase) in accounts receivable	127,317	14,734
Decrease (increase) in accounts receivable due from related parties	(151)	(6,386)
Decrease (increase) in other receivable	626	(19,464)
Decrease (increase) in inventories)	(92,936)	(18,474)
Decrease (increase) in prepayments	(15,017)	(3,747)
Decrease (increase) in other current assets	30	-
Increase (decrease) in contract liabilities	43,118	22,741
Increase (decrease) in notes payable	5	42
Increase (decrease) in accounts payable	20,204	47,741
Increase (decrease) in accounts payable to related parties	(124,627)	67,344
Increase (decrease) in other payable	33,032	(22,968)
Increase (decrease) in other payable to related parties	302	51

	<u>For the Nine Months Ended September 30 2022</u>	<u>For the Nine Months Ended September 30 2021</u>
Increase (decrease) in provision for liabilities	(\$ 2,524)	(\$ 3,327)
Increase (decrease) in other current liabilities	5,456	69
Increase (decrease) in net defined benefit liability	(410)	(409)
Cash generated from operations	221,843	227,139
Interest received	1,226	1,298
Income tax paid	(25,715)	(41,752)
Net cash generated from operating activities	<u>197,354</u>	<u>186,685</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(16,687)	(2,563)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	471
Acquisition of financial assets at amortized cost	(1,540)	(27,842)
Proceeds from disposal of financial assets at amortized cost		86,801
Acquisition of property, plant and equipment	(124)	(200)
Increase in refundable deposits amortized cost	-	(23)
Decrease in refundable deposits amortized cost	6	-
Increase in prepayments for business facilities	(6,017)	(11,262)
Other dividends received	<u>2,977</u>	<u>885</u>
Net cash used in investing activities	(21,385)	(46,267)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Increase in short-term loans	(76,221)	-
Payments of lease liabilities	(20,178)	(20,348)
Payments of cash dividends	(147,281)	(191,274)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(243,680)	(211,622)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	(310)	(311)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(68,021)	21,019
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>726,561</u>	<u>637,464</u>
CASH AND CASH EQUIVALENTS REPORTED IN THE STATEMENT OF FINANCIAL POSITION	<u>\$ 658,540</u>	<u>\$ 658,483</u>

The accompanying notes are an integral part of the consolidated financial statements.

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

Promate Solutions Corporation (the “Company”) is a listed company established on May 29, 2000. The main business of the Company include research & development and manufacture of medical touch screen displays, embedded control systems, special application and industrial displays, and research & development of applicable software and hardware.

According to resolutions of the shareholders' meeting on June 10, 2013 , the department of special application product of Promate Electronic Co., Ltd had been transfer to the Company based on Business Mergers And Acquisitions Act. The purpose of division was due to organization adjustment of Promate Electronic Co. According to Board resolutions, the reference date of the division was August 1, 2013. , the value of the division department was 123,900 thousand. The Company had been issued 8,260 thousand ordinary share priced at 15 for division.

The parent company of the Company is Promate Electronic Co., Ltd. with equity interests of 66.21% on September 30, 2022 and 2021.

The Company’s shares have been listed on OTC trading at Taipei Exchange since March 2004.

The functional currency of the Company is the New Taiwan Dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on November 7, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by Financial Supervisory Commission (FSC).

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”

The Group are applicable only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 “Inventories”. Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards.

- b. The IFRSs endorsed by FSC for application starting from 2023::

New IFRSs	Effect Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the changes in accounting policies that occur on or after the beginning of the.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- b) The Group chose the accounting policy from options permitted by the standards;
- c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
- e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 “Definition of Accounting Estimates

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

C. New IFRSs in issue but not yet endorsed and issued into effect by the FSC:

New IFRSs	Effective Date Announced by IASB(Note1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”	January 1, 2024 (Note 2)
IFRS 17 “insurance Contracts	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17-Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16

- 1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence over an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate, i.e., the Group’s share of the gain or loss is eliminated.

- 2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”).

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by

a transfer of the Group's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32: Financial Instruments: Presentation, the aforementioned terms would not affect the classification of the liability.

3) Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"

The amendment clarifies leases Liability in a Sale and leaseback trade, if asset transfer achieve IFRS 15 "Customer contract revenue" rule by sales asset. The liability of the seller and the lessee due to the leaseback shall be based on IFRS16 lease liabilities, variable lease payments not dependent on an index or rate, The liability of the seller and the lessee due to the leaseback shall be measure the liability by not recognizing the profit or loss related to the retained right of use. The difference between the current lease payment included in the calculation of the lease liability and the actual payment is included in profit or loss

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into

line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13 and Table 4 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, for the summary of other significant accounting policies, refer to the consolidated financial statements for the year ended December 31, 2021.

1) Property, plant, and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss..

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates consider cashflow, growth rate, discount rate, profitability and

relevant significant accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Except for the following, refer to the consolidated financial statements for the year ended December 31, 2021 for the critical accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Cash on hand	\$ 215	\$ 165	\$ 211
Checking accounts and demand deposits	399,575	385,676	364,685
Cash equivalents (investment with original maturities less than three months time deposits)			
Bank time deposit	258,750	340,720	210,000
Repurchase bond	-	-	83,587
	<u>\$ 658,540</u>	<u>\$ 726,561</u>	<u>\$ 658,483</u>

The market rate intervals of cash in bank, and repurchase bond at the end of the reporting period were as follows:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Demand deposits	0.001%~0.08%	0.001%~0.08%	0.001%~0.08%
Time deposits	0.73%~3.90%	0.13%~0.35%	0.35%
Repurchase bond	-	-	0.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTP:			
— Domestic listed shares	\$ 3,877	\$ 10,594	\$ 9,266
— Foreign listed shares	7,158	-	-
	<u>\$ 11,035</u>	<u>\$ 10,594</u>	<u>\$ 9,266</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
<u>Non-current</u>			
Investments in equity instruments	<u>\$ 104,106</u>	<u>\$ 85,519</u>	<u>\$ 42,839</u>

Investments in equity instruments at FVTOCI

	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u>
<u>Non-current</u>			
Domestic investments			
Listed shares			
HIGGSTECH Inc	\$ 31,223	\$ 37,595	\$ 40,675
Foreign investments			
Private Funds			
Esquarre IoT Landing Fund, L.P	<u>72,883</u>	<u>47,924</u>	<u>2,164</u>
	<u>\$ 104,106</u>	<u>\$ 85,519</u>	<u>\$ 42,839</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COSTS

	<u>September 30,</u> <u>2022</u>	<u>December 31, 2021</u>	<u>September 30,</u> <u>2021</u>
<u>Current</u>			
Domestic investments			
Time deposits with original maturities of more than three months			
	\$ 1,534	\$ -	\$ -
Foreign investments			
Repurchase agreement			
—CITIC Securities Finance			
MTN Co Ltd	-	-	2,446
—Formosa Group (Cayman)			
Ltd.	-	-	19,356
—Sumitomo Mitsui			
Financial Group, Inc.	-	-	6,071
Less: Allowance for impairment loss			
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,534</u>	<u>\$ -</u>	<u>\$ 27,873</u>

The interest rates for time deposits with original deposits with original maturities of more than three months is 3.10% as of September 30, 2022

As of September 30, 2021, the Group purchased repurchase agreements issued by China Bills Finance Corporation with coupon rates ranging is 035%.

Refer to Note 10 for information related to credit risk management and impairment evaluation of financial assets at amortized cost.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost :

September 30, 2022

	<u>At Amortized Cost</u>
Gross carrying amount	\$ 1,534
Less: Allowance for impairment loss	-
Amortization costs	1,534
Fair value adjust	-
	<u>\$ 1,534</u>

September 30, 2021

	<u>At Amortized Cost</u>
Gross carrying amount	\$ 27,873
Less: Allowance for impairment loss	-
Amortization costs	27,873
Fair value adjust	-
	<u>\$ 27,873</u>

In order to minimize credit risk, the management of the Group has delegated a dedicated team to build a credit rating database, with a view to assessing the default risk of investments in debt instruments. For items without external credit ratings, appropriate internal ratings can be given by reference to publicly available financial information. The Group continuously tracks major information from financial institutions to monitor changes in the credit risk of investments in debt instruments, and uses such information to assess whether there is a significant increase in the initially recognized credit risk of investments in debt instruments the Group has tasked its credit management committee with the development and maintenance of a credit risk grading framework for categorizing exposures according to the degree of the risk of default. The credit rating information may be obtained from independent rating agencies, where available, and if not available, the credit management committee uses other publicly available financial information to rate the debtors.

The Group considers the historical default records and current financial status of financial institutions supplied by the internal rating team to measure the 12-month or lifetime expected credit losses of investments in debt instruments.

The Group's current credit risk rating mechanism is as follows :

<u>Credit Rating</u>	<u>Definition</u>	<u>Basis of Recognition of Expected Credit Losses</u>
Normal	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECLs

The gross carrying amount and applicable expected credit loss rate of investments in debt instruments are as follows :

September 30, 2022

<u>Credit Rating</u>	<u>Basis of Recognition of Rate Credit Losses</u>	<u>Gross carrying amount</u> <u>Amortized Cost</u>
Normal	0%~0.01%	\$ <u>1,534</u>

September 30, 2021

<u>Credit Rating</u>	<u>Basis of Recognition of Rate Credit Losses</u>	<u>Gross carrying amount</u> <u>Amortized Cost</u>
Normal	0%~0.01%	\$ <u>27,873</u>

There was no change in the allowance for impairment loss of investments in debt instruments at amortized cost on September 30, 2022 and September 30, 2021.

11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
<u>Notes receivables</u>			
At amortized cost			
Gross carrying amount	\$ 281	\$ -	\$ -
Less: Allowance for impairment loss	-	-	-
	<u>\$ 281</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Accounts receivables</u>			
At amortized cost			
Gross carrying amount	\$ 334,588	\$ 461,905	\$ 262,271
Gross carrying amount-related parties	4,363	4,212	11,553
Less: Allowance for impairment loss	(158)	(858)	(258)
	<u>\$ 338,793</u>	<u>\$ 465,259</u>	<u>\$ 273,566</u>
<u>Overdue receivables</u>			
Overdue receivables	\$ 30	\$ 30	\$ 30
Less: Allowance for impairment loss	(30)	(30)	(30)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Others receivables</u>			
Tax refund receivables	\$ 10,528	15,097	\$ 17,157
Duty Tax refund receivables	2,618	2,104	2,164
Proceeds from sale of financial assets	<u>10,749</u>	<u>7,320</u>	<u>8,733</u>
	<u>\$ 23,895</u>	<u>\$ 24,521</u>	<u>\$ 28,054</u>

a. Accounts receivables

At amortized cost

The average credit period of the sales of goods was 90-135 days. No interest was charged on accounts receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivables. The expected credit losses on accounts receivables are estimated using an allowance matrix, which takes into consideration the historical credit loss experience with the respective debtor, the current financial position of the debtor, and the current and future economic conditions of the industry as well as the overall economy. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivables based on the Group's provision matrix:

September 30, 2022

	Not Overdue	Overdue 1-30 Days	Overdue 31-60 Days	Overdue 61-90 Days	Overdue More than 91 Days	Total
Expected credit loss rate	0.01%	0.06%	2.95%	15.01%	15.04~100%	
Gross carrying amount	\$ 319,477	\$ 19,404	\$ 285	\$ 6	\$ 60	\$ 339,232
Loss allowance (Lifetime ECL)	(83)	(30)	(21)	(2)	(22)	(158)
Amortized cost	<u>\$ 319,394</u>	<u>\$ 19,374</u>	<u>\$ 264</u>	<u>\$ 4</u>	<u>\$ 38</u>	<u>\$ 339,074</u>

December 31, 2021

	<u>Not Overdue</u>	<u>Overdue 1-30 Days</u>	<u>Overdue 31-60 Days</u>	<u>Overdue 61-90 Days</u>	<u>Overdue More than 91 Days</u>	<u>Total</u>
Expected credit loss rate	0%	0%	3.86%	5.93%	9.12~100%	
Gross carrying amount	\$ 432,786	\$ 22,733	\$ 10,213	\$ 207	\$ 178	\$ 466,117
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>(790)</u>	<u>(25)</u>	<u>(43)</u>	<u>(858)</u>
Amortized cost	<u>\$ 432,786</u>	<u>\$ 22,733</u>	<u>\$ 9,423</u>	<u>\$ 182</u>	<u>\$ 135</u>	<u>\$ 465,259</u>

September 30, 2021

	<u>Not Overdue</u>	<u>Overdue 1-30 Days</u>	<u>Overdue 31-60 Days</u>	<u>Overdue 61-90 Days</u>	<u>Overdue More than 91 Days</u>	<u>Total</u>
Expected credit loss rate	0.01%	0.17%	6.29%	23.85%	21.48~100%	
Gross carrying amount	\$ 218,115	\$ 55,102	\$ 266	\$ 300	\$ 41	\$ 273,824
Loss allowance (Lifetime ECL)	<u>(27)</u>	<u>(98)</u>	<u>(18)</u>	<u>(74)</u>	<u>(41)</u>	<u>(258)</u>
Amortized cost	<u>\$ 218,088</u>	<u>\$ 55,004</u>	<u>\$ 248</u>	<u>\$ 226</u>	<u>\$ -</u>	<u>\$ 273,566</u>

The movements of the loss allowance of accounts receivables were as follows:

	<u>For the Nine Months Ended September 30 2022</u>	<u>For the Nine Months Ended September 30 2021</u>
<u>Accounts receivables</u>		
Balance on January 1	\$ 858	\$ 6,608
Add: Amount of expected credit loss		-
Less: Amount of credit loss reversal	<u>(700)</u>	<u>(6,350)</u>
Balance on June 30	<u>\$ 158</u>	<u>\$ 258</u>
<u>Overdue receivables</u>		
Balance on January 1	<u>\$ 30</u>	<u>\$ 30</u>
Balance on June 30	<u>\$ 30</u>	<u>\$ 30</u>

Compared to the balance on January 1, 2022 and 2021, the gross carrying amount of notes receivables and accounts receivables on September 30, 2022 and 2021 decreased NT\$126,885 thousand and decreased NT\$8,348 thousand. Due to increase in projected credit loss, the loss allowance decreased NT\$700 thousand and decreased NT\$6,350 thousand.

The Group's accounts receivable with pledge as loan guarantee. Please refer to Note 32 disclosure.

b. Other receivables

The Group does not accrue interest on other receivables. When determining the recoverability of other receivables, the Group considers any changes in the credit quality of other receivables from the original credit date to the balance sheet date. As historical experience shows that other receivables overdue for more than one year are not recoverable, the Company recognizes 100% allowance for bad debts for other receivables aged over one year. For other receivables aged within one year, the Company determines allowance for bad debt by reference to the past arrears of counterparties and analyzing their current financial position, in order to evaluate irrecoverable amounts.

There was no allowance for impairment loss of other receivables on September 30, 2022, December 31, 2021, and September 30, 2021.

12. INVENTORIES

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Raw materials	\$ 294,031	\$ 219,235	\$ 237,519
Work in process	54,156	36,705	24,760
Finished goods	75,662	64,717	67,524
Merchandise inventories	6,389	2,023	1,894
Stock in transit	-	23,746	-
	<u>\$ 430,238</u>	<u>\$ 346,426</u>	<u>\$ 331,697</u>

Cost of Goods Sold were as follows:

	For the Three Months Ended September 30 2022	For the Three Months Ended September 30 2021	For the Nine Months Ended September 30 2022	For the Nine Months Ended September 30 2021
Cost of Goods Sold	\$ 373,100	\$ 365,449	\$ 1,046,065	\$ 820,237
Labor cost	1,219	4,504	1,358	15,081
Loss (gain) on inventory impairment	1,000	(5,000)	7,000	(15,000)
Inventory Scrap	-	-	2,124	64
	<u>\$ 375,319</u>	<u>\$ 364,953</u>	<u>\$ 1,056,547</u>	<u>\$ 820,382</u>

The net realizable value of inventories is the increase in the sales price of the inventory in specific markets

13. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements:

The entity included in the consolidated statements is listed below.

<u>Investor</u>	<u>Investee</u>	<u>Nature of Activities</u>	<u>Proportion of Ownership (%)</u>			<u>Note</u>
			<u>Sep 30, 2022</u>	<u>Dec 31, 2021</u>	<u>Sep 30, 2021</u>	
Promate Solutions Co., Ltd	Promate Japan Inc	Trade of electronic commodities	100%	100%	100%	a& b

- a. Promate Japan Inc. was incorporated on March 2017 in Tokyo, Japan. It is 100% owner by the Company and the nature of its activities include trade of electronic commodities.
- b. Promate Japan Inc. is not a significant subsidiary and their financial statements has not been reviewed.

The financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2022 and 2021, the combined total assets of these non-significant subsidiaries were NT\$9,514 thousand and NT\$9,360 thousand, respectively, representing 0.57% and 0.62%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$711 thousand and NT\$1,505 thousand, respectively, representing 0.12% and 0.31%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the amounts of combined comprehensive income of these subsidiaries were (NT\$148) thousand, NT\$3,757 thousand, (NT\$145)thousand, and NT\$5,353 thousand, respectively, representing 0.24%, 9.22%, 0.09% and 4.72%, respectively, of the consolidated total comprehensive income.

14.PROPERTY, PLANT AND EQUIPMENT

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>			
Assets used by the Group	<u>\$ 46,282</u>	<u>\$ 43,823</u>	<u>\$ 44,134</u>			
Assets used by the Group:						
	<u>Machinery Equipment</u>	<u>Transportation Equipment</u>	<u>Office Equipment</u>	<u>Miscellaneous Equipment</u>	<u>Leasehold Improvements</u>	<u>Total</u>
<u>Cost</u>						
Balance at January 1, 2022	\$ 74,003	\$ 2,810	\$ 10,758	\$ 69,061	\$ 13,375	\$170,007
Addition	-	-	58	66	-	124
Reclassification	<u>176</u>	<u>-</u>	<u>2,095</u>	<u>10,965</u>	<u>-</u>	<u>13,236</u>
Balance at Sep 30, 2022	<u>\$ 74,179</u>	<u>\$ 2,810</u>	<u>\$ 12,911</u>	<u>\$ 80,092</u>	<u>\$ 13,375</u>	<u>\$183,367</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2022	\$ 47,625	\$ 2,810	\$ 10,214	\$ 53,840	\$ 11,695	\$126,184

	<u>Machinery Equipment</u>	<u>Transporta- tion Equipment</u>	<u>Office Equipment</u>	<u>Miscellane- ous Equipment</u>	<u>Leasehold Improvements</u>	<u>Total</u>
Depreciation expenses	<u>4,870</u>	<u>-</u>	<u>394</u>	<u>5,008</u>	<u>629</u>	<u>10,901</u>
Balance at Sep 30, 2022	<u>\$ 52,495</u>	<u>\$ 2,810</u>	<u>\$ 10,608</u>	<u>\$ 58,848</u>	<u>\$ 12,324</u>	<u>\$ 137,085</u>
Carrying amount at June 30, 2022	<u>\$ 21,684</u>	<u>\$ -</u>	<u>\$ 2,303</u>	<u>\$ 21,244</u>	<u>\$ 1,051</u>	<u>\$ 46,282</u>
Carrying amount at January 1 2022/December 31, 2021	<u>\$ 26,378</u>	<u>\$ -</u>	<u>\$ 544</u>	<u>\$ 15,221</u>	<u>\$ 1,680</u>	<u>\$ 43,823</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 72,642	\$ 2,810	\$ 10,688	\$ 62,593	\$ 15,083	\$ 163,816
Addition	-	-	70	130	-	200
Reclassification	701	-	-	5,863	-	6,564
Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,210)</u>	<u>(1,708)</u>	<u>(3,918)</u>
Balance at Sep 30, 2021	<u>\$ 73,343</u>	<u>\$ 2,810</u>	<u>\$ 10,758</u>	<u>\$ 66,376</u>	<u>\$ 13,375</u>	<u>\$ 166,662</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2021	\$ 40,911	\$ 2,810	\$ 9,739	\$ 48,950	\$ 12,460	\$ 114,870
Depreciation expenses	5,081	-	356	5,412	727	11,576
Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,210)</u>	<u>(1,708)</u>	<u>(3,918)</u>
Balance at Sep 30, 2021	<u>\$ 45,992</u>	<u>\$ 2,810</u>	<u>\$ 10,095</u>	<u>\$ 52,152</u>	<u>\$ 11,479</u>	<u>\$ 122,528</u>
Carrying amount at Sep 30, 2021	<u>\$ 27,351</u>	<u>\$ -</u>	<u>\$ 663</u>	<u>\$ 14,224</u>	<u>\$ 1,896</u>	<u>\$ 44,134</u>

There was no indication of an impairment loss; therefore, the Group did not perform impairment assessment. during the nine months ended September 30, 2022 and 2021.

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Machinery equipment	3-10 years
Transportation equipment	5 years
Office equipment	3-5 years
Miscellaneous equipment	3-20 years
Leasehold improvements	3-10ears

15.LEASE ARRANGEMENTS

- a. Right-of-use assets

	September 30, 2022	December 31, 2021	September 30, 2021
Carrying amounts			
Buildings	\$ 27,190	\$ 41,921	\$ 46,843
Transportation	<u>557</u>	<u>915</u>	<u>1,035</u>
	<u>\$ 27,747</u>	<u>\$ 42,836</u>	<u>\$ 47,878</u>

	For the Three Months Ended Sep 30 2022	For the Three Months Ended Sep 30 2021	For the Nine Months Ended Sep 30 2022	For the Nine Months Ended Sep 30 2021
Addition to right-of-use assets	\$ -	\$ -	\$ -	\$ 9,428
Depreciation charge for right-of-use assets				
Buildings	\$ 4,894	\$ 4,904	\$ 14,691	\$ 15,255
Transportation	<u>119</u>	<u>119</u>	<u>358</u>	<u>358</u>
	<u>\$ 5,013</u>	<u>\$ 5,023</u>	<u>\$ 15,049</u>	<u>\$ 15,613</u>

Due to the early termination of the lease contract during current period, the Group's right-of-use assets and lease liabilities were reduced by NT\$10,970 thousand and NT\$11,224 thousand respectively. Thus, it resulted in a lease modification benefit of NT\$254 thousand.

b. Lease liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
Carrying amounts			
Current	\$ 21,095	\$ 20,763	\$ 20,494
Non-current	<u>\$ 2,372</u>	<u>\$ 22,216</u>	<u>\$ 23,219</u>

Discounted rate ranges of lease liabilities were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Buildings	3%	3%	3%
Transportation	5.69%	5.69%	5.69%

c. Material lease-in activities and terms

The Group leased a number of cars for use by business personnel or warehouse personnel for 3 years. The lease contracts for these cars do not contain terms for the right of renewal or the right of purchase.

The Group also leased certain buildings for the use as plant and office in a period of 5 years. The Company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended Sep 30 2022	For the Three Months Ended Sep 30 2021	For the Nine Months Ended Sep 30 2022	For the Nine Months Ended Sep 30 2021
Expenses relating to low-value				
asset leases	\$ <u>146</u>	\$ <u>141</u>	\$ <u>453</u>	\$ <u>347</u>
Total cash outflow for lease			(\$ <u>20,631</u>)	(\$ <u>20,695</u>)

16. OTHER INTANGIBLE ASSETS

	Computer Software
<u>Cost</u>	
Balance on January 1, 2022	\$ <u>15,659</u>
Balance on September 30, 2022	\$ <u>15,659</u>
<u>Accumulated amortization</u>	
Balance on January 1, 2022	\$ 9,808
Amortization expenses	<u>1,464</u>
Balance on September 30, 2022	\$ <u>11,272</u>
Carrying amount on September 30, 2022	\$ <u>4,387</u>
Carrying amount on January 1, 2022/December 31, 2021	\$ <u>5,851</u>
<u>Cost</u>	
Balance on January 1, 2021	\$ 18,379
Reclassification	3,342
Disposal	(<u>6,262</u>)
Balance on September 30, 2021	\$ <u>15,459</u>
<u>Accumulated amortization</u>	
Balance on January 1, 2021	\$ 14,352
Amortization expenses	1,228
Disposal	(<u>6,262</u>)
Balance on September 30, 2021	\$ <u>9,318</u>
Carrying amount on September 30, 2021	\$ <u>6,141</u>

Besides amortization expense, the Group did not acquire, dispose, nor impair any other intangible assets between nine months ended September 30, 2022 and 2021.

Other intangible assets were amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3-10 years
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Amortization expenses summarized by function:

	For the Three Months Ended Sep 30 2022	For the Three Months Ended Sep 30 2021	For the nine Months Ended Sep 30 2022	For the nine Months Ended Sep 30 2021
Operating costs	\$ -	\$ -	\$ -	\$ -
Selling and marketing expenses	13	27	63	81
General and administrative expenses	188	178	565	868
Research and development expenses	<u>279</u>	<u>279</u>	<u>836</u>	<u>279</u>
	<u>\$ 480</u>	<u>\$ 484</u>	<u>\$ 1,464</u>	<u>\$ 1,228</u>

17. OTHER ASSETS

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
<u>Current</u>			
<u>Prepayments</u>			
Prepayment for purchases and expenses	\$ 17,904	\$ 2,887	\$ 5,706
Input Tax	<u>-</u>	<u>-</u>	<u>549</u>
	17,904	2,887	6,255
<u>Others current assets</u>			
Temporary payment	<u>-</u>	<u>30</u>	<u>30</u>
	<u>\$ 17,904</u>	<u>\$ 2,917</u>	<u>\$ 6,285</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 516	\$ 6,834	\$ 5,244
Refundable deposits	650	656	659
Overdue receivables (Note 11)	30	30	30
Allowance for impairment loss - overdue receivables	<u>(30)</u>	<u>(30)</u>	<u>(30)</u>
	<u>\$ 1,166</u>	<u>\$ 7,490</u>	<u>\$ 5,903</u>

18. BORROWINGS

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
<u>Short-Term Borrowings</u>			
<u>Secured borrowings (Note 32)</u>			
Bank loans - export letters of credit	<u>\$ -</u>	<u>\$ 76,221</u>	<u>\$ -</u>

The weighted average effective interest rate for export L/C documentary loan which were secured by the Group's notes receivable (refer to Note 32) was 0.786% per annum December 31, 2021

19. NOTES AND ACCOUNTS PAYABLE

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
<u>Notes payable</u>			
Non-trade	\$ <u>36</u>	\$ <u>31</u>	\$ <u>42</u>
<u>Accounts payable</u>			
Accounts payable	\$ 220,503	\$ 200,299	\$ 170,767
Accounts payable - related parties	<u>56,947</u>	<u>181,574</u>	<u>110,736</u>
	<u>\$ 277,450</u>	<u>\$ 381,873</u>	<u>\$ 281,503</u>

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER LIABILITIES

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
<u>Current</u>			
<u>Other payables</u>			
Payables for salaries or bonuses	\$ 60,199	\$ 52,312	\$ 31,882
Payables for annual leave	8,250	8,050	8,050
Payables for compensation of employees and remuneration of directors (Note 25)	19,000	19,500	13,700
Accrued commissions	2,973	15,282	5,034
Payable for service	2,483	1,371	761
Accrued freights	1,920	2,315	2,113
Accrued repair	20,000	-	-
Over Received	14,992	-	-
Payables for equipment	901	-	-
Other	<u>9,805</u>	<u>7,760</u>	<u>9,714</u>
	<u>140,523</u>	<u>106,590</u>	<u>71,254</u>
Other payables-related party (Note 31)			
Other	909	607	1,006
	<u>\$ 141,432</u>	<u>\$ 107,197</u>	<u>\$ 72,260</u>

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Contract liability(Note24)			
Advance payment	<u>\$ 112,122</u>	<u>\$ 69,004</u>	<u>\$ 53,207</u>
<u>Others liability</u>			
Receipts under custody and others	<u>\$ 7,613</u>	<u>\$ 2,157</u>	<u>\$ 2,426</u>

21.PROVISIONS

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
<u>Current</u>			
Warranties*	<u>\$ 2,630</u>	<u>\$ 2,938</u>	<u>\$ 3,216</u>
<u>Non-current</u>			
Warranties*	<u>\$ 1,594</u>	<u>\$ 1,386</u>	<u>\$ 1,408</u>

	<u>For the Nine Months Ended Sep 30, 2022</u>	<u>For the Nine Months Ended Sep 30, 2021</u>
Balance on January 1	\$ 4,324	\$ 5,524
Additional provisions recognized	2,424	2,427
Rotate unused	(2,524)	(3,327)
Balance on June 30	<u>\$ 4,224</u>	<u>\$ 4,624</u>

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under sale of goods legislation. The estimate had been made on the basis of historic warranty trends, and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

22.RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined retirement benefit plans was NT\$13 thousand and NT\$18 thousand for the three months ended September 30, 2022 and 2021, respectively, and NT\$38 thousand and NT\$55 thousand for the nine months ended September 30, 2022 and 2021, respectively. They were calculated using the prior year's actuarially determined pension cost discount rate as of December 31, 2021 and 2020, respectively.

23.EQUITY

a. Share capital

Common stock

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Number of shares authorized (in thousands)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Shares authorized	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>38,255</u>	<u>38,255</u>	<u>38,255</u>
Shares issued	<u>\$ 382,549</u>	<u>\$ 382,549</u>	<u>\$ 382,549</u>

The authorized shares include 4,000 thousand shares allocated for the exercise of employee stock options.

b. Capital surplus

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
Issuance of ordinary shares	<u>\$ 386,829</u>	<u>\$ 386,829</u>	<u>\$ 386,829</u>

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration of directors after amendment, refer to employees' compensation and remuneration of directors in Note 25, (g).

Taking into account future capital expenditure requirements and long-term financial planning of the Company, the total dividends paid in any given year may not be less than 50% of the distributable earnings in that year. However, cumulative distributable earnings cannot be distributed if it is less than 20% of the total paid-up capital. Dividends

could be distributed either through cash or shares, and cash dividends shall not be less than 10% of the total dividends for the year.

A legal reserve should be appropriated from earnings until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset any deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The company have been approved company policy in the shareholders' meetings on June 14, 2022 .The amendments explicitly stipulate that when a special reserve is appropriated for cumulative net debit balance reserves from prior period, the sum of net profit for current period and items other than net profit that are included directly I the unappropriated earning for current period is used if the prior unappropriated earnings is not sufficient. Before the Articles is amendments, the special reserve is appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2020 and 2019, which have been approved in the shareholders' meetings on June 14, 2022 and July 22, 2021, respectively, were as follows:

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Legal reserve	\$ 16,571	\$ 20,859
Reversal of special surplus reserve	-	(2,728)
Cash dividends	147,281	191,274
Cash dividends per share (NT\$)	3.85	5

d. Special reserves

	For the Nine Months Ended Sep 30, 2022	For the Nine Months Ended Sep 30, 2021
Balance on January 1	\$ -	\$ 2,728
Rotate of special reserves		
Rotate other equity items	-	(2,728)
Balance on June 30	<u>\$ -</u>	<u>\$ -</u>

e. Other equity items

- 1) Exchange differences on translating the financial statements of foreign operations

	For the Nine Months Ended Sep 30, 2022	For the Nine Months Ended Sep 30, 2021
Balance on January 1	<u>(\$ 391)</u>	<u>(\$ 49)</u>
Current period:		
Exchange differences arising on translating the financials statements of foreign operations	(310)	(311)
Income tax related to gains arising on translating the financial statements of foreign operations	<u>62</u>	<u>62</u>
Other comprehensive income recognized for the period	(<u>248</u>)	(<u>249</u>)
Balance on September 30	<u>(\$ 639)</u>	<u>(\$ 298)</u>

2) Unrealized gain or loss on Financial Assets at FVTOCI

	For the Nine Months Ended Sep 30, 2022	For the Nine Months Ended Sep 30, 2021
Balance on January 1	<u>\$ 5,186</u>	<u>\$ 11,292</u>
Recognized for the year		
Unrealized gain (loss)- equity instruments	1,900	(2,860)
Unrealized gain (loss)- tax expense	(<u>1,654</u>)	<u>-</u>
Other comprehensive Income recognized for the year	<u>246</u>	(<u>2,860</u>)
Gain (loss) on disposal of equity instruments transfer to retained earnings	<u>-</u>	(<u>166</u>)
Balance on June 30	<u>\$ 5,432</u>	<u>\$ 8,266</u>

24.REVENUE

	For the Three Months Ended June 30, 2022	For the Three Months Ended June 30, 2021	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Revenue from contracts				
with customers				
Revenue from the sale				
of goods	\$494,905	\$469,372	\$1,389,200	\$1,068,241
Design revenue	1,449	2,199	4,556	35,513
Repair revenue	<u>3,042</u>	<u>2,880</u>	<u>6,891</u>	<u>10,582</u>
	<u>\$ 499,396</u>	<u>\$ 474,451</u>	<u>\$1,400,647</u>	<u>\$1,114,336</u>

a. Revenue from sales to customers

Revenue from the sale of goods

Goods are categorized into computer monitors and customized products for manufacturing engineering. The Group engages in the sale of embedded control systems, medical displays, and application-specific display modules at the agreed prices stipulated in contracts, quotations or orders.

Service revenue

Service revenue mainly comprises revenue from the design of embedded, medical, and application specific display modules during product development; revenue from customers' request for repair when defects occur in products that exceed the warranty period; and revenue recognized at the agreed prices stipulated in contracts.

b. Contract balances

	September 30, 2022	December 31, 2020	September 30 2021	January 1, 2021
Note and account receivables (Note 11)	<u>\$ 339,074</u>	<u>\$ 465,259</u>	<u>\$ 273,566</u>	<u>\$ 275,564</u>
Contract liabilities (Note 20)				
Sale of goods	<u>\$ 112,122</u>	<u>\$ 69,004</u>	<u>\$ 53,207</u>	<u>\$ 30,466</u>

c. Disaggregation of revenue

For the nine months ended September 30, 2022

	<u>Embedded Control</u>	<u>Application specific</u>	<u>Medical Touch</u>	<u>Others</u>	<u>Total</u>
<u>Goods or service</u>					
Revenue from sale of goods	\$ 380,712	\$ 467,666	\$ 395,896	\$ 144,926	\$1,389,200
Service revenue	<u>2,154</u>	<u>4,734</u>	<u>4,558</u>	<u>1</u>	<u>11,447</u>
	<u>\$ 382,866</u>	<u>\$ 472,400</u>	<u>\$400,454</u>	<u>\$ 144,927</u>	<u>\$ 1,400,647</u>

For the nine months ended September 30, 2021

	<u>Embedded Control</u>	<u>Application specific</u>	<u>Medical Touch</u>	<u>Others</u>	<u>Total</u>
<u>Goods or service</u>					
Revenue from sale of goods	\$ 304,560	\$ 348,097	\$ 302,678	\$ 112,906	\$1,068,241
Service revenue	<u>5,688</u>	<u>4,735</u>	<u>35,555</u>	<u>117</u>	<u>46,095</u>
	<u>\$ 310,248</u>	<u>\$ 352,832</u>	<u>\$ 338,233</u>	<u>\$ 113,023</u>	<u>\$1,114,336</u>

25.NET PROFIT (LOSS) FROM CONTINUING OPERATIONS AND OTHER COMPREHENSIVE INCOME (LOSS)

a. Interest income

	<u>For the Three Months Ended Sep 30, 2022</u>	<u>For the Three Months Ended Sep 30, 2021</u>	<u>For the Nine Months Ended Sep 30, 2022</u>	<u>For the Nine Months Ended Sep 30, 2021</u>
Bank deposits	\$ 553	\$ 350	\$ 1,131	\$ 1,035
Repurchase bond	<u>1</u>	<u>71</u>	<u>95</u>	<u>263</u>
	<u>\$ 554</u>	<u>\$ 421</u>	<u>\$ 1,226</u>	<u>\$ 1,298</u>

b. Other income

	<u>For the Three Months Ended Sep 30, 2022</u>	<u>For the Three Months Ended Sep 30, 2021</u>	<u>For the Nine Months Ended Sep 30, 2022</u>	<u>For the Nine Months Ended Sep 30, 2021</u>
Dividend income	\$ 2,819	\$ 844	\$ 2,977	\$ 885
Others	<u>86</u>	<u>89</u>	<u>337</u>	<u>289</u>
	<u>\$ 2,905</u>	<u>\$ 933</u>	<u>\$ 3,314</u>	<u>\$ 1,174</u>

c. Other gains and losses

	<u>For the Three Months Ended Sep 30, 2022</u>	<u>For the Three Months Ended Sep 30, 2021</u>	<u>For the Nine Months Ended Sep 30, 2022</u>	<u>For the Nine Months Ended Sep 30, 2021</u>
Gain (loss) on financial instruments				
Mandatorily measured at FVTPL	(\$ 888)	(\$ 3,462)	(\$ 6,067)	(\$ 870)
Net foreign exchange gain (losses)	30,949	590	67,502	(10,094)
Gain on Lease Modification	-	-	-	254
Others	<u>(160)</u>	<u>-</u>	<u>(338)</u>	<u>(48)</u>
	<u>\$ 29,901</u>	<u>(\$ 2,872)</u>	<u>\$ 61,097</u>	<u>(\$ 10,758)</u>

d.Finance costs

	For the Three Months Ended Sep 30, 2022	For the Three Months Ended Sep 30, 2021	For the Nine Months Ended Sep 30, 2022	For the Nine Months Ended Sep 30, 2021
Interest on lease liabilities	(\$ 190)	(\$ 345)	(\$ 706)	(\$ 1,207)

There was no interest capitalization in the combined company from January 1 to September 30, 2022 and 2021.

e.Depreciation and amortization

	For the Three Months Ended Sep 30, 2022	For the Three Months Ended Sep 30, 2021	For the Nine Months Ended Sep 30, 2022	For the Nine Months Ended Sep 30, 2021
An analysis of depreciation by function				
Operating costs	\$ 2,648	\$ 2,648	\$ 7,946	\$ 7,968
Operating expenses	<u>6,046</u>	<u>6,101</u>	<u>18,004</u>	<u>19,221</u>
	<u>\$ 8,694</u>	<u>\$ 8,749</u>	<u>\$ 25,950</u>	<u>\$ 27,189</u>
An analysis of amortization by function				
Operating costs	\$ -	\$ -	\$ -	\$ -
Operating expenses	<u>480</u>	<u>484</u>	<u>1,464</u>	<u>1,228</u>
	<u>\$ 480</u>	<u>\$ 484</u>	<u>\$ 1,464</u>	<u>\$ 1,228</u>

f.Employee benefits expense

	For the Three Months Ended Sep 30, 2022	For the Three Months Ended Sep 30, 2021	For the Nine Months Ended Sep 30, 2022	For the Nine Months Ended Sep 30, 2021
Short-term benefits	\$ 61,272	\$ 43,431	\$ 162,038	\$ 127,153
Post-employment benefits(Note 22)				
Defined contribution plans	1,444	1,433	4,315	4,384
Defined benefit plans	<u>13</u>	<u>18</u>	<u>38</u>	<u>55</u>
	<u>1,457</u>	<u>1,451</u>	<u>4,353</u>	<u>4,439</u>
Other employee benefits	<u>2,056</u>	<u>1,837</u>	<u>5,480</u>	<u>4,917</u>
Total employee benefits expense	<u>\$ 64,785</u>	<u>\$ 46,719</u>	<u>\$ 171,871</u>	<u>\$ 136,509</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 12,868	\$ 13,429	\$ 37,921	\$ 39,562
Operating expenses	<u>51,917</u>	<u>33,290</u>	<u>133,950</u>	<u>96,947</u>
	<u>\$ 64,785</u>	<u>\$ 46,719</u>	<u>\$ 171,871</u>	<u>\$ 136,509</u>

g. Employees' compensation and remuneration of directors and supervisors

The Company accrues compensation of employees and remuneration of directors at the rates 7.5%~10% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. For the three months and nine months ended September 30, 2022 and 2021, the compensation of employees and the remuneration of directors were as follows:

Accrual rate

	For the Three Months Ended Sep 30, 2022	For the Three Months Ended Sep 30, 2021	For the Nine Months Ended Sep 30, 2022	For the Nine Months Ended Sep 30, 2021
Employees' compensation	7.12%	7.5%	7.55%	7.5%
Remuneration of directors	1.78%	1.5%	1.42%	1.5%

Amount

	For the Three Months Ended Sep 30, 2022	For the Three Months Ended Sep 30, 2021	For the Nine Months Ended Sep 30, 2022	For the Nine Months Ended Sep 30, 2021
Employees' compensation	<u>\$ 6,000</u>	<u>\$ 4,500</u>	<u>\$ 16,000</u>	<u>\$ 11,440</u>
Remuneration of directors	<u>\$ 1,500</u>	<u>\$ 900</u>	<u>\$ 3,000</u>	<u>\$ 2,260</u>

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation to employees and remuneration to the directors of 2021 and 2020 were approved by the Company's board of directors on March 15, 2022 and March 23, 2021 respectively, were as below:

	<u>2021</u>		<u>2020</u>	
	<u>Employees' compensation</u>	<u>Remuneration of directors</u>	<u>Employees' compensation</u>	<u>Remuneration of directors</u>
The Board of Directors issue pay amounts	<u>\$ 16,500</u>	<u>\$ 4,000</u>	<u>\$ 20,600</u>	<u>\$ 4,100</u>
Annual consolidated financial statements authorized	<u>\$ 16,500</u>	<u>\$ 3,000</u>	<u>\$ 20,600</u>	<u>\$ 4,100</u>

There was difference between the actual amounts of employees' compensation and remuneration of directors and the amounts recognized in the company financial statements by the Board of Directors on March 15, 2022 and will be adjusted in 2022 income.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021.

Information on the employees' compensation and remuneration of directors resolved by

the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Foreign exchange gains	\$ 43,932	\$ 4,086	\$ 101,824	\$ 15,664
Foreign exchange losses	(12,983)	(3,496)	(34,322)	(25,758)
Net gain (loss)	<u>\$ 30,949</u>	<u>\$ 590</u>	<u>\$ 67,502</u>	<u>(\$ 10,094)</u>

i. The reversal of impairment of non-financial instruments

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Inventories (included in costs of goods sold)	<u>(\$ 1,000)</u>	<u>\$ 5,000</u>	<u>(\$ 7,000)</u>	<u>\$ 15,000</u>

26. INCOME TAXES RELATING TO CONTINUING OPERATION

a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Current tax				
In respect of the current period	\$ 17,100	\$ 10,405	\$ 37,930	\$ 23,430
Income tax on unappropriated	93	-	93	-
Adjustment for the prior year	<u>87</u>	<u>-</u>	<u>90</u>	<u>(4,919)</u>
	<u>17,280</u>	<u>10,405</u>	<u>38,113</u>	<u>18,511</u>
Deferred tax				
In respect of the current period	(1,649)	603	1,665	3,891
Income tax expense recognized in profit or loss	<u>\$ 15,631</u>	<u>\$ 11,008</u>	<u>\$ 39,778</u>	<u>\$ 22,402</u>

b. Income tax expense recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Deferred tax				
In respect of the current year- Translation of foreign operations	(\$ 8)	\$ 8	\$ 62	\$ 62
Unrealized gain on FVTOCI financial assets	(693)	-	(1,654)	-
Income tax expense recognized in other comprehensive income	<u>(\$ 701)</u>	<u>\$ 8</u>	<u>(\$ 1,592)</u>	<u>\$ 62</u>

c. Income tax assessments

The tax returns of the Company through 2019 have been assessed by tax authorities.

27.EARNINGS PER SHARE

	Unit: NT\$ Per Share			
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2022	2021	2022	2021
Basic earnings per share				
From continuing and discounted operations	<u>\$ 1.60</u>	<u>\$ 1.14</u>	<u>\$ 4.01</u>	<u>\$ 3.04</u>
Basic earnings per share	<u>\$ 1.60</u>	<u>\$ 1.14</u>	<u>\$ 4.01</u>	<u>\$ 3.04</u>
Diluted earnings per share				
From continuing and discounted operations	<u>\$ 1.59</u>	<u>\$ 1.13</u>	<u>\$ 3.98</u>	<u>\$ 3.02</u>
Diluted earnings per share	<u>\$ 1.59</u>	<u>\$ 1.13</u>	<u>\$ 3.98</u>	<u>\$ 3.02</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Year

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2022	2021	2022	2021
Income for the year attributable to owners of the Company	<u>\$ 61,235</u>	<u>\$ 43,613</u>	<u>\$ 153,591</u>	<u>\$ 116,409</u>
Earnings used in the computation of basic earnings per share	<u>\$ 61,235</u>	<u>\$ 43,613</u>	<u>\$ 153,591</u>	<u>\$ 116,409</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 61,235</u>	<u>\$ 43,613</u>	<u>\$ 153,591</u>	<u>\$ 116,409</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2022	2021	2022	2021
Weighted average number of ordinary shares in computation of basic earnings per share	38,255	38,255	38,255	38,255
Effect of potentially dilutive ordinary shares:				

	2022	2021	2022	2021
Employees' compensation	<u>283</u>	<u>186</u>	<u>352</u>	<u>276</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>38,538</u>	<u>38,441</u>	<u>38,607</u>	<u>38,531</u>

If the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28.CASH FLOW INFORMATION

a.Non-cash transactions

For the nine months ended September 30, 2022 and 2021, the Group entered into the following non-cash investing and financing activities :

- 1) The Group reclassified prepayments for equipment amounting to NT\$13,236 thousand and NT\$6,564 thousand to property, plant and equipment for the nine months ended September 30, 2022 and 2021, respectively.
- 2) The Group reclassified prepayments for equipment amounting to NT\$3,342 thousand to intangible assets for the nine months ended September 30, 2021.
- 3) The Group increased other payable amounting to NT\$901 thousand due to the increase in prepayments for equipment for the nine months ended September 30, 2022

b. Reconciliation of liabilities arising from financing activities:

For the nine months ended September 30, 2022

	Balance as of January 1, 2022	Cash Flows	Non-cash Changes			Foreign Exchange Difference	Balance as of Sep 30, 2022
			New Lease	Interest Amortized	Disposals		
Short-term borrowings	\$ 76,221	(\$76,221)	\$ -	\$ -	\$ -	\$ -	\$ -
Lease liabilities	<u>42,979</u>	<u>(20,178)</u>	<u>-</u>	<u>706</u>	<u>-</u>	<u>(40)</u>	<u>23,467</u>
	<u>\$119,200</u>	<u>(\$ 96,399)</u>	<u>\$ -</u>	<u>\$ 706</u>	<u>\$ -</u>	<u>(\$ 40)</u>	<u>\$ 23,467</u>

For the nine months ended September 30 2021

	Balance as of January 1, 2021	Cash Flows	Non-cash Changes			Foreign Exchange Difference	Balance as of Sep 30, 2021
			New Lease	Interest Amortized	Disposals		
Lease liabilities	<u>\$ 64,737</u>	<u>(\$20,348)</u>	<u>\$ 9,428</u>	<u>\$ 1,207</u>	<u>(\$11,224)</u>	<u>(\$ 87)</u>	<u>\$ 43,713</u>

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

Adopting a prudent risk management strategy and regularly reviewing the strategy, the Group engages in overall planning based on business development strategies and operational needs, in order to determine the appropriate capital structure of the Group.

The Group is not subject to any externally imposed capital requirements.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management of the Group believes the carrying amounts of financial assets and financial liabilities not measured at fair value that are very close to maturity or whose future prices equals their carrying amounts, approximates their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

Balance as of September 30, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Securities listed in ROC	\$ 3,877	\$ -	\$ -	\$ 3,877
Foreign listed shares	<u>7,158</u>	<u>-</u>	<u>-</u>	<u>7,158</u>
Total	<u>\$ 11,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,035</u>

Financial assets at FVTOCI

<u>Investments in equity</u>				
Securities listed in ROC	\$ 31,223	\$ -	\$ -	\$ 31,223
Domestic unlisted shares and domestic emerging market shares	<u>-</u>	<u>-</u>	<u>72,883</u>	<u>72,883</u>
Total	<u>\$ 31,223</u>	<u>\$ -</u>	<u>\$ 72,883</u>	<u>\$ 104,106</u>

Balance as of December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Securities listed in ROC	<u>\$ 10,594</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,594</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity				
Securities listed in ROC	\$ 37,595	\$ -	\$ -	\$ 37,595
Domestic unlisted shares and domestic emerging market shares	<u>-</u>	<u>-</u>	<u>47,924</u>	<u>47,924</u>
Total	<u>\$ 37,595</u>	<u>\$ -</u>	<u>\$ 47,924</u>	<u>\$ 85,519</u>

Balance as of September 30, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Securities listed in ROC	<u>\$ 9,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,266</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity				
Securities listed in ROC	\$ 40,675	\$ -	\$ -	\$ 40,675
Foreign listed shares	<u>-</u>	<u>-</u>	<u>2,164</u>	<u>2,164</u>
Total	<u>\$ 40,675</u>	<u>\$ -</u>	<u>\$ 2,164</u>	<u>\$ 42,839</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2.. Reconciliation of Level 3 fair value measurements of financial instruments

For the nine months ended June 30 2022

<u>Financial assets</u>	<u>Financial assets at FVTPL Equity Instrument</u>
Balance at January 1	\$ 47,924
Recognized in other comprehensive income	8,272
Add	<u>16,687</u>
Balance at September 30	<u>\$ 72,883</u>
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ 8,272</u>

For the nine months ended June 30 2021

<u>Financial assets</u>	<u>Financial assets at FVTPL Equity Instrument</u>
Balance at January 1	\$ -
Recognized in other comprehensive income	-
Add	<u>2,164</u>
Balance at September 30	<u>\$ 2,164</u>
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ -</u>

3.. Valuation techniques and inputs applied for the purpose of measuring Level 3 fair

value measurement

The Group measures the fair value of its investments on domestic unlisted shares by using the market approach and using asset-based approach. The comparable company method of market approach is based on the transaction price, consider the different between the evaluated company and the comparable company, calculate fair value with appropriate multiplier. The asset-based approach assesses the fair value by calculating the value of each asset and liability by reflect the overall fair value.

c. Categories of financial instruments

	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u>
<u>Financial assets</u>			
Fair value through profit or loss (FVTPL)			
Mandatory at FVTPL	\$ 11,035	\$ 10,594	\$ 9,266
Financial assets at amortized (Note 1)	1,023,693	1,216,997	988,635
<u>Financial assets at FVTOCI equity instruments</u>			
Investments in equity instruments	104,106	85,519	42,839
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	418,918	565,322	353,805

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, accounts receivables, other receivables and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise notes payable, accounts payables, and other payable.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debit investments, accounts receivables, accounts payables, loan, and lease liabilities. The Group's Corporate Treasury monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company and its subsidiaries had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The Group manages the risk that fluctuations in foreign currency could have on foreign-currency denominated assets and future cash flow by using forward exchange contracts, which was governed by the Group's policies.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 1% increase in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in exchange rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	U.S. Dollar Impact	
	For the Nine Months Ended Sep 30, 2022	For the Nine Months Ended Sep 30, 2021
	<u>\$ 5,069</u>	<u>\$ 2,985</u>
Profit or loss		

- (i) This was mainly attributable to the exposure outstanding on U.S. dollar-denominated accounts receivables and accounts payables, which were not hedged at the end of the reporting period.

The Group's sensitivity to foreign currency increase during the current year mainly due to the increase of accounts receivable balance in the USD. In management's opinion, the sensitivity analysis did not reflect the inherent exchange rate risk because the exposure at the end of the year did not reflect the exposure during the period.

b) Interest rate risk

The Group evaluates hedging activities regularly to align with interest rate views

and defined risk appetite and ensures that the most cost-effective hedging strategies are applied.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Fair value interest rate risk			
– Financial assets	<u>\$ 260,284</u>	<u>\$ 340,720</u>	<u>\$ 321,460</u>
– Financial liabilities	<u>\$ -</u>	<u>\$ 76,221</u>	<u>\$ -</u>
Cash flow interest rate risk			
– Financial assets	<u>\$ 399,575</u>	<u>\$ 385,676</u>	<u>\$ 364,685</u>

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2022 and 2021 would increase /decrease by NT\$1,498 thousand and NT\$1,368 thousand, which was mainly attributable to the Group's exposure to the floating-interest rates on bank deposits.

The Group's sensitivity to interest rates reduced during the year, mainly affected by the decrease in bank deposits with variable interest rates.

c) Other price risk

The Group was exposed to equity price risk through its investments in mutual funds. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 3% higher/lower, the pre-tax other comprehensive income for the nine months ended September 30, 2022 and 2021 would have

increased/decreased by NT\$331 thousand and NT\$278 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 3% higher/lower, the pre-tax profit for the nine months ended September 30, 2022, and 2021, would have increased/decreased by NT\$3,123 thousand and NT\$1,285 thousand, as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to equity prices increased mainly because of its increase in financial assets investment

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be mainly from the following: The carrying amount of the financial assets recognized in the balance sheets

Financial assets are potentially affected by the failure of the Group's counterparties to fulfill their contractual obligations. The Group's credit risk is evaluated based on contracts whose fair value at the end of the financial reporting period is positive. The Group's counterparties are financial institutions and companies with sound credit ratings. The Group has a dedicated unit that regularly monitors counterparty credit exposure levels every year, so no significant credit risk is expected.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. The Group has signed a contract with the bank to sell accounts receivable, and there is no need to guarantee to the ability of debtors in accounts receivable to affect fulfillment of debt obligations due to credit risk within the bank's underwriting limit. Hence, the management of the Group believes that the credit risk of the Group has declined significantly

Accounts receivable from customers exceeding 5% of the total accounts receivable accounted for 70.8%, 63.4%, and 69.6% of the Group's accounts receivable balance as of September 30, 2022, December 31, 2021, and September 30, 2021, respectively.

The maximum credit exposure of the Group is the net carrying amount of financial assets after deducting the amount that can be offset against each other and the impairment loss recognized in accordance with the regulations without considering collateral and other credit enhancement policies.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and

cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group's available unutilized bank loan facilities set out in section (b) below.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on agreed repayment dates.

September 30, 2022

	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
Non-interest bearing liabilities		
Notes payable	\$ 36	\$ -
Trade payable	277,450	-
Other payable	141,432	-
Lease liabilities	<u>21,352</u>	<u>2,418</u>
	<u>\$440,270</u>	<u>\$ 2,418</u>

Additional information about the maturity analysis for lease liabilities:

	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
Lease liabilities	<u>\$ 21,352</u>	<u>\$ 2,418</u>

December 31, 2021

	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
Non-interest bearing liabilities		
Notes payable	\$ 31	\$ -
Trade payable	381,873	-
Other payable	107,197	-
Lease liabilities	21,383	22,771
Fixed Rate		
Short-term borrowings	<u>76,440</u>	<u>-</u>
	<u>\$586,924</u>	<u>\$ 22,771</u>

Additional information about the maturity analysis for lease liabilities:

	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
Lease liabilities	<u>\$ 21,383</u>	<u>\$ 22,771</u>
<u>September 30, 2021</u>		
	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
Non-interest bearing liabilities		
Notes payable	\$ 42	\$ -
Trade payable	281,503	-
Other payable	72,260	-
Lease liabilities	<u>21,386</u>	<u>29,608</u>
	<u>\$375,191</u>	<u>\$ 29,608</u>

Additional information about the maturity analysis for lease liabilities:

	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
Lease liabilities	<u>\$ 21,386</u>	<u>\$ 29,608</u>

b) Financing facilities

	<u>Sep 30, 2022</u>	<u>December 31, 2021</u>	<u>Sep 30, 2021</u>
Unsecured bank overdraft facilities			
— Amount used	\$ 12,602	\$ 82,221	\$ 10,000
— Amount unused	<u>321,398</u>	<u>219,219</u>	<u>181,400</u>
	<u>\$ 334,000</u>	<u>\$ 301,440</u>	<u>\$ 191,400</u>

31. TRANSACTIONS WITH RELATED PARTIES

The parent company of the Company is Promate Electronic Co., Ltd., which held 66.21% of the Company's ordinary shares on September 30, 2022 December 31, 2021 and September 30, 2021.

Balances and transactions between the Company and its subsidiaries, which are the related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Names and categories of related parties

<u>Name</u>	<u>Related Party Category</u>
Promate Electronic Co., Ltd	The Company's Parent company
Promate Electronic (Shenzhen) Co., Ltd	Subsidiary of Promate
Promate Electronic (Shanghai) Co., Ltd	Subsidiary of Promate

<u>Name</u>	<u>Related Party Category</u>
PROMATE ELECTRONICS COMPANY USA Weikeng Industrial Co., Ltd	Subsidiary of Promate
HIGGSTEC Inc.	Substantive related party-chairman is a director of the Company The management - parent company of the Company is the corporate director of the Company

b. Operating revenues

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>For the Three Months Ended Sep 30, 2022</u>	<u>For the Three Months Ended Sep 30, 2021</u>	<u>For the Nine Months Ended Sep 30, 2022</u>	<u>For the Nine Months Ended Sep 30, 2021</u>
Sale of goods	The Company's Parent company	\$ 4,306	\$ 13,038	\$ 15,252	\$ 22,480
	Subsidiary of Promat	-	-	51	43
	The management	<u>227</u>	<u>-</u>	<u>1,128</u>	<u>215</u>
		<u>\$ 4,533</u>	<u>\$ 13,038</u>	<u>\$ 16,431</u>	<u>\$ 22,738</u>
Repairs	The Company's Parent company	<u>\$ 9</u>	<u>\$ 26</u>	<u>\$ 57</u>	<u>\$ 55</u>

c. Purchases of goods

<u>Related Party Category/Name</u>	<u>For the Three Months Ended Sep 30, 2022</u>	<u>For the Three Months Ended Sep 30, 2021</u>	<u>For the nine Months Ended Sep 30, 2022</u>	<u>For the nine Months Ended Sep 30, 2021</u>
Promate Electronic Co., Ltd	\$ 57,867	\$ 133,597	\$ 260,189	\$ 223,599
Substantive related party-chairman is a director of the Company	12,958	14,816	37,535	26,938
The management	<u>4,579</u>	<u>5,483</u>	<u>13,627</u>	<u>9,451</u>
	<u>\$ 75,404</u>	<u>\$ 153,896</u>	<u>\$ 311,351</u>	<u>\$ 259,988</u>

The related-party transactions were conducted under normal terms.

d. Receivables from related parties (excluding loans to related parties)

<u>Related Party Category/Name</u>	<u>Sep 30, 2022</u>	<u>December 31, 2021</u>	<u>Sep 30, 2021</u>
The Company's parent company	\$ 4,110	\$ 3,568	\$ 11,553
The management	<u>253</u>	<u>644</u>	<u>-</u>
	<u>\$ 4,363</u>	<u>\$ 4,212</u>	<u>\$ 11,553</u>

The outstanding accounts receivables from related parties are unsecured. For the nine months ended September 30, 2022 and 2021, no impairment loss was recognized for accounts receivables from related parties.

e. Other receivables from related parties

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>Sep 30, 2022</u>	<u>December 31, 2021</u>	<u>Sep 30, 2021</u>
Accounts payables	The Company's Parent company	\$ 33,456	\$ 168,978	\$ 89,174
	Substantive related party-chairman is a director of the Company	19,152	7,889	16,293
	The management	<u>4,339</u>	<u>4,707</u>	<u>5,269</u>
		<u>\$ 56,947</u>	<u>\$ 181,574</u>	<u>\$ 110,736</u>
Other payables	Subsidiary of Promate	<u>\$ 909</u>	<u>\$ 607</u>	<u>\$ 1,006</u>

The outstanding accounts payables to related parties are unsecured.

f. Lease arrangements

Acquisition of right-of-use assets

<u>Related Party Category/Name</u>	<u>For the Nine Months Ended Sep 30, 2022</u>	<u>For the Nine Months Ended Sep 30, 2021</u>
<u>Acquisition of right-of-use assets</u>		
Substantive related party - chairman is a director of the Company	<u>\$ -</u>	<u>\$ 5,438</u>

<u>Line Item</u>	<u>Related Party Category</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Lease liabilities	The Company's Parent company	\$ 10,963	\$ 21,765	\$ 21,604
	Substantive related party-chairman is a director of the Company	<u>2,779</u>	<u>4,139</u>	<u>4,108</u>
		<u>\$ 13,742</u>	<u>\$ 25,904</u>	<u>\$ 25,712</u>

<u>Related Party Category/Name</u>	<u>For the Three Months Ended Sep 30, 2022</u>	<u>For the Three Months Ended Sep 30, 2021</u>	<u>For the Nine Months Ended Sep 30, 2022</u>	<u>For the Nine Months Ended Sep 30, 2021</u>
<u>Interest expense</u>				
Promate Electronic Co., Ltd	\$ 92	\$ 171	\$ 346	\$ 581
Substantive related party - chairman is a director of the Company	<u>21</u>	<u>30</u>	<u>72</u>	<u>101</u>
	<u>\$ 113</u>	<u>\$ 201</u>	<u>\$ 418</u>	<u>\$ 682</u>
<u>Gain on Lease</u>				
<u>Modification expense</u>				
Substantive related party - chairman is a director of the Company	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111</u>

<u>Lessor</u>	<u>Location</u>	<u>Lease Term Payment Method</u>
The Company's Parent company	Chingpu Plant	The lease term begins on January 1, 2019 and ends on December 31, 2023. Rent is paid every six months, where the monthly rent is NT\$929,000.
Substantive related party-chairman is a director of the Company	Office building along Huanshan Road, Neihu District	The lease term begins on January 1, 2019 and ends on December 31, 2023. Rent is paid every six months, where the monthly rent is NT\$111,000 ° (In January 1, 2021, the lease was early terminated)
Substantive related party-chairman is a director of the Company	Office building along Huanshan Road, Neihu District	The lease term begins on January 1, 2021 and ends on December 31, 2024. Rent is paid every six months, where the monthly rent is NT\$119,000 °

g. Other transactions with related parties

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>For the Three Months Ended Sep 30, 2022</u>	<u>For the Three Months Ended Sep 30, 2021</u>	<u>For the Nine Months Ended Sep 30, 2022</u>	<u>For the Nine Months Ended Sep 30, 2021</u>
Operating Cost – Outsourcing expenses	The management	\$ 576	\$ -	\$ 946	\$ -
Research and development expense	Promate Electronic Co.,Ltd	\$ -	\$ 520	\$ 599	\$ 1,137
	Substantive related party - chairman is a director of the Company	479	200	1,030	579
	The management	1,878	665	2,695	892
		<u>\$ 2,357</u>	<u>\$ 1,385</u>	<u>\$ 4,324</u>	<u>\$ 2,608</u>
Professional service fees	PROMATE ELECTRONICS COMPANY USA	\$ 1,863	\$ 2,156	\$ 6,595	\$ 6,712
IT information expense	Promate Electronic Co.,Ltd	\$ 1,220	\$ 1,220	\$ 2,440	\$ 2,440

h. Compensation of key management personnel

<u>i.</u>	<u>For the Three Months Ended Sep 30, 2022</u>	<u>For the Three Months Ended Sep 30, 2021</u>	<u>For the Nine Months Ended Sep 30, 2022</u>	<u>For the Nine Months Ended Sep 30, 2021</u>
Short-term employee benefits	\$ 7,161	\$ 6,030	\$ 16,663	\$ 11,973
Other long-term employee benefits	86	86	258	306
	<u>\$ 7,247</u>	<u>\$ 6,116</u>	<u>\$ 16,921</u>	<u>\$ 12,279</u>

The remuneration of directors and key executives is determined by the remuneration committee based on the performance of individuals and market trends.

32.ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings: :

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Recognized as Financial assets at amortized cost(Time Deposits) (Note9)	\$ 1,534	\$ -	\$ -

	September 30, 2022	December 31, 2021	September 30, 2021
Account Receivables(Note11)	<u>\$ -</u>	<u>\$ 76,221</u>	<u>\$ -</u>

33.SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

- As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group has all issued letters of guarantee for tariff guarantee amounted to NT\$6,000 thousand , NT\$6,000 thousand and NT\$10,000 thousand, respectively.
- As of September 30, 2022, the Group has all issued letters of guarantee for performance guarantee amounted to NT\$6,602 thousand , respectively.
- As of September 30, 2022, December 31, 2021 and September 30, 2021, commitments due to contracts for the acquisition of equipment were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Contract amount			
Paid amount	\$ 516	\$ 6,834	\$ 5,244
Unpaid amount	<u>344</u>	<u>10,231</u>	<u>2,891</u>
	<u>\$ 860</u>	<u>\$ 17,065</u>	<u>\$ 8,135</u>

34.SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

Unit: In Thousands for Currencies

<u>September 30, 2022</u>	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 21,883	31.75 (USD : NTD)	\$ 694,788
USD	119	144.81 (USD : JPY)	3,783
EUR	292	31.26 (EUR : NTD)	9,137
GBP	46	35.53 (GBP : NTD)	1,639
JPY	13,438	0.22 (JPY : NTD)	<u>2,958</u>
			<u>\$ 712,305</u>
	Foreign Currencies	Exchange Rate	Carrying Amount

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>NoMonetary items</u> FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS			
USD	\$ 226	31.75 (USD : NTD)	\$ 7,158
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME			
USD	2,296	31.75 (USD : NTD)	72,883
			<u>\$ 80,041</u>

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial liabilities			
<u>Monetary items</u>			
USD	\$ 5,909	31.75 (USD : NTD)	\$ 187,608
USD	129	144.81 (USD : JPY)	4,095
EUR	21	31.26 (EUR : NTD)	642
JPY	798	0.22 (JPY : NTD)	176
			<u>\$ 192,521</u>

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
<u>Monetary items</u>			
USD	\$ 27,499	27.68 (USD : NTD)	\$ 761,179
USD	180	115.02 (USD : JPY)	4,984
EUR	92	31.52 (EUR : NTD)	2,912
GBP	76	37.50 (GBP : NTD)	2,849
JPY	9,994	0.24 (JPY : NTD)	2,403
			<u>\$ 774,327</u>

NoMonetary items
FINANCIAL ASSETS
AT FAIR VALUE
THROUGH OTHER
COMPREHENSIVE
INCOME

USD	1,723	27.68 (USD : NTD)	<u>\$ 47,924</u>
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Financial liabilities

<u>Monetary items</u>			
USD	14,096	27.68 (USD : NTD)	\$ 390,183
USD	125	115.02 (USD : JPY)	3,458
EUR	16	31.52 (EUR : NTD)	519
JPY	1,570	0.24 (JPY : NTD)	378
			<u>\$ 394,538</u>

September 30, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 18,616	27.85 (USD : NTD)	\$ 518,460
EUR	356	32.32 (EUR : NTD)	<u>11,516</u>
			<u>\$ 529,976</u>
<u>NoMonetary items</u>			
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME			
USD	77	27.85 (USD : NTD)	<u>\$ 2,164</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 7,897	27.85 (USD : NTD)	\$ 219,922
EUR	16	32.32 (EUR : NTD)	<u>511</u>
			<u>\$ 220,433</u>

The Group is mainly exposed to the fluctuations other than USD. For the three months ended September 30, 2022 and 2021, realized foreign exchange gains(losses) were NT\$20,029 thousand and NT\$780 thousand, respectively; Unrealized foreign exchange gains(losses) were NT\$10,920 thousand and (NT\$190) thousand, for the nine months ended September 30, 2022 and 2021, realized foreign exchange gains(losses) were NT\$39,065 thousand and (NT\$4,313) thousand, respectively; Unrealized foreign exchange gains(losses) were NT\$28,437 thousand and (NT\$5,781) thousand..

35.OTHERS ITEMS

On April 29, 2021, the Company's board of directors resolved to subscribe Esquarre IoT Landing Fund,L.P. in US\$5 million. The investments in private funds accounted for 6.799% of the company's total equity of the current period. As of September 30, 2022, the Company has invested NTD\$64,611 thousand (US\$2,282 thousand)and measured at fair value through other comprehensive income. Please refer to Note 8 disclosure.

36.SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and information in investees:
 - 1) Financing provided to others. (None)
 - 2) Endorsement/guarantee provided. (None)
 - 3) Marketable securities held. (Table 1)
 - 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (Table 2)

- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 3)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
 - 9) Trading in derivative instruments. (None)
 - 10) Significant transactions between the Company and subsidiaries. (Table 4)
- b. Information of investees. (Table 5)
 - c. Information on investments in mainland China (None)
 - d. Information of major shareholders: The following is the information of major shareholders: Name of major shareholder, number of shares owned and percentage of ownership of shareholders whose percentage of ownership of shareholders is higher than 5%. (Table 6)

37.SEGMENT INFORMATION

Information reported to the chief operating decision maker (“CODM”) for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. According to the requirements of IAS 34, the Group engages in organization management and resource allocation in a single operating segment, and its business is concentrated in a single industry related to mainframes and peripheral equipment for point-of-sale systems. In addition, the Group provides segment information reviewed by the CODM, whose basis of measurement is similar to that of financial statements. Therefore, the revenue and total assets of reportable segments for the nine months ended September 30, 2022 and 2021 can be determined by reference to the balance sheet and consolidated statement of profit and loss for the nine months ended September 30, 2022 and 2021.

The CODM considers the sales units engaging in the sale of mainframes and peripheral equipment in each country as separate operating segments. But for financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment, taking into account the following factors:

- a. These operating segments have similar long-term gross profit margins.
- b. Similar product nature and transaction method.
- c. Products are delivered to customers in the same way.

TABLE 1

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
September 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	September 30, 2022				Note (Note 4)
				Number of Shares	Carrying Amount (Noted 3)	Percentage of Ownership (%)	Fair Value	
Promate Solutions Corporation	Ordinary shares SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD	None	Financial assets at fair value through profit or loss -current	22,000	\$ 793	-	\$ 793	Domestic listed company
	TTFB COMPANY LIMITED.	"	"	630	133	-	133	"
	INTERNATIONAL GAMES SYSTEM CO.,LTD.	"	"	2,300	828	-	828	"
	LOTES CO., LTD.	"	"	700	535	-	535	"
	Primax Electronics Ltd.Corporation	"	"	16,000	1,020	-	1,020	"
	KING SLIDE WORKS CO.,LTD	"	"	1,200	568	-	568	"
	Adobe Inc.	"	"	80	699	-	699	Foreign listed company
	Apple Inc.	"	"	300	(USD 22) 1,316	-	(USD 22) 1,316	"
	(The) Home Depot, Inc	"	"	50	(USD 41) 438	-	(USD 41) 438	"
	Intuitive Surgical, Inc	"	"	50	(USD 14) 298	-	(USD 14) 298	"
	Microsoft Corporation	"	"	50	(USD 9) 370	-	(USD 9) 370	"
	Micron Techonology, Inc	"	"	300	(USD 12) 477	-	(USD 12) 477	"
	NVIDIA Corporation	"	"	270	(USD 15) 1,041	-	(USD 15) 1,041	"
	Taiwan Semiconductor Manufacturing Company Limited	"	"	250	(USD 33) 544	-	(USD 33) 544	"
	Tesla, Inc.	"	"	60	(USD 17) 505	-	(USD 17) 505	"
	Unity Software Inc.	"	"	150	(USD 16) 152	-	(USD 16) 152	"
	ASML Holding N.V.	"	"	100	(USD 5) 1,318 (USD 42) <u>\$ 11,035</u>	-	(USD 5) 1,318 (USD 42) <u>\$ 11,035</u>	"

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	September 30, 2022				Note (Note 4)
				Number of Shares	Carrying Amount (Noted 3)	Percentage of Ownership (%)	Fair Value	
Promate Solutions Corporation	Higgstec Inc	None	Financial assets at fair value through other comprehensive income -noncurrent	1,062,000	\$ <u>31,223</u>		\$ <u>31,223</u>	Domestic listed company
	Private funds. Esquarre IoT Landing Fund,L.P.	None	Financial assets at fair value through other comprehensive income -noncurrent	2,281,984	\$ <u>72,883</u> (USD <u>2,296</u>)	6.9%	\$ <u>72,883</u> (USD <u>2,296</u>)	Foreign unlisted company

Note 1: Marketable securities in this table refer to stocks, bonds, beneficiary certificates, and other relevant derivative securities as promulgated in IFRS 9 "Financial Instruments."

Note 2: When the issuers of marketable securities are not related parties, this column can be left blank

Note 3: If measured by fair value, please fill in the carrying balance, which is adjusted through fair value valuation with loss allowance deducted, in the carrying amount column; if not measured by fair value, please fill in the carrying balance at amortized cost (loss allowance is already deducted).

Note 4: The number of shares of securities, the amount pledged as security or pledged for loans, and the restrictions on use under some agreements shall be stated in the remarks column if the securities presented herein have such conditions.

Note 5: Please refer to Table 4 for relevant information on investments in subsidiaries.

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counter Party (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)			Ending Balance		
					Share	Amount	Share	Amount	Share	Carrying Amount	Book cost	Gain (Loss) on Disposal	Share	Amount
Promate Solutions Corporation	Fund -ADCB Finance (Cayman) Limited	CASH AND CASH EQUIVALENTS	China Bills Finance Corporation Foreign Branch Fund	None	-	\$ -	-	\$ 82,349 (USD2,967)	-	\$ 82,384 (USD 2,968)	\$ 82,349 (USD 2,967)	\$ 35	-	
	Fund -UPAM C James Bond Money Market Fund	FINANCIAL ASSEST AT FAIR VALUE THROUGH PROFIT OR LOSS	President Securities Corporation	None	-	-	-	100,000	-	100,032	100,000	32	-	

Note1. Marketable securities in this table refer to stocks, bonds, beneficiary certificates, and other relevant derivative securities

Note2. Marketable securities investor by equity need write this item if none.

Note3. The accumulated amount of purchase and sales shall be calculated separately based on market value to see if the amount exceed NT\$300 million or 20% of the Company's paid-in capital.

Note4. Paid-in capital referred to herein is the parent company's paid-in capital. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of the equity attributable to owners of the parent in the calculation.

TABLE 3**PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES****TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Term	Unit Price	Payment Terms	Ending Balance	% to Total	
Promate Solutions Corporation	Promate Electronic Co., Ltd	Parent company	Purchase	\$ 260,189	26.60%	Net 60 days after monthly closing	-	-	Accounts payable \$ 33,456	12.06%	

Note 1. Where related parties' transaction conditions are different from the general ones, the situation and reasons of the differences shall be stated in the column of unit price and credit granting period.

Note 2. In case of advance payment (receipt), the reasons, contractual terms, the amount, and differences from general transactions shall be stated in the remarks column.

Note 3. Paid-in capital referred to herein is the parent company's paid-in capital. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of the equity attributable to owners of the parent in the calculation.

TABLE 4**PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES****INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT
TRANSACTIONS FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	Promate Solutions Corporation	PROMATE JAPAN	1	Sale	\$ 15,238	Transaction terms are not significantly different from those for third parties	1.09%

Note 1: The parent company and its subsidiaries are numbered as follows:

- a. "0" for the parent company.
- b. Subsidiaries are numbered from "1".

Note 2: The flow of related-party transactions is as follows:

- a. From the parent company to its subsidiary.
- b. From the subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: For assets and liabilities, amounts are shown as a percentage to consolidated total assets as of September 30, 2022, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the nine months ended September 30, 2022.

Note 4: All intercompany transactions have been eliminated from consolidation.

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(In Thousands of New Taiwan Dollars/Foreign Currency)**

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2022			Net Income (Loss) of the Investee (Note 2(2))	Investment Gain (Loss) (Note 2(3))	Note
				September 30, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
Promate Solutions Corporation	PROMATE JAPAN Inc	Japan	Trade of electronic commodities	\$ 2,791	\$ 2,791	100,000	100%	\$ 3,829	\$ 886	\$ 886	

Note 1: Where a public company has a foreign holding company and the consolidated financial report is the main financial report according to local laws and regulations, the disclosure of information on foreign investees may only include the holding company's relevant information.

Note 2: In cases other than those described in Note 1, the following information shall be provided:

- 1) "Investee name," "region," "main business items," "the original investment amount," and "the final stake" shall be filled in in order according to the reinvestment situation of the (public) Company and the reinvestment situation of each investee directly or indirectly controlled, and the relationship between each investee and the (public) Company shall be indicated in the remarks column (e.g., a subsidiary or a sub-subsidiary).
- 2) In the column of "Profit and loss of investee in the current period," the current profit and loss amount of each investee shall be filled in.
- 3) In the column of "investment gains and losses recognized in the current period," only the recognized profit and loss amount of each subsidiary that is directly invested by the (public) Company and each investee assessed by equity method shall be filled in, and the rest is not required to be filled in. Where the "gains and losses of subsidiaries that are invested directly are recognized for the current period," it shall be confirmed that the gains and losses of the subsidiaries have included their investment gains and losses that shall be recognized in accordance with the regulations.

TABLE 6**PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****September 30, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Name of Major Shareholder	Shares	
	Number of Shares	Number of Shares
Promate Electronic Co., Ltd	25,327,500	66.21%

Note 1: The percentage of ownership of major shareholders included in the table should be more than 5%, which was calculated based on the total number of ordinary shares, preference shares and treasury shares owned in the last trading day of the quarter that were traded in and registered electronically and was prepared by the Taiwan Depository & Clearing Corporation. In addition, the share capital and the actual number of traded shares with the completion of electronic registration stated in the consolidated financial statements might vary due to different calculation basis.